

From: "David K. Welch" <DWelch@burkelaw.com>
Date: January 21, 2021 at 9:01:40 AM EST
To: "Nisselson, Alan" <anisselson@windelsmarx.com>
Cc: "Aaron H. Stanton" <astanton@burkelaw.com>, Frederick Schmidt <ESchmidt@cozen.com>, Brian Shaw
<bshaw@cozen.com>, "Brian P. Welch" <BWelch@burkelaw.com>
Subject: Re: Medici 171 N Aberdeen LLC

Mr. Nisselson

I sent you the below email on Tuesday evening regarding the above chapter 7 case and property in Chicago for which you have been appointed as trustee. I do not yet have a response to this email. The property requires regular management and the tenants need assistance and assurances. These are urgent issues for which my client, as owner of the property, is willing to assist. May I have your response please.

Thank you.

Dave Welch

David K. Welch
Burke, Warren, MacKay & Serritella, P.C.
330 N. Wabash, Suite 2100 | Chicago, IL 60611
Phone 312.840.7122 | Fax 312.840.7900
dwelch@burkelaw.com | www.burkelaw.com | my profile

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David K. Welch

Burke, Warren, MacKay & Serritella, P.C.
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BURKE, WARREN,
MACKAY & SERRITELLA, P.C.

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On Jan 19, 2021, at 8:04 PM, David K. Welch <DWelch@burkelaw.com> wrote:

Mr Nisselson

I am one of the attorneys representing Aberdeen Developers in the above referenced chapter 7 case in which I believe you have been appointed as trustee. My client is the owner of the property that Medici is leasing from my client. Medici has notified all of the tenants to contact Aberdeen with respect to any property and management issues. Aberdeen is reluctant to do anything without your consent. The property has immediate issues requiring attention.

I would like to discuss how Aberdeen can cooperatively work with the trustee to maintain the property pending resolution over its disposition. I have copied my partners and local counsel. Are you available to discuss tomorrow? Please advise.

Thank you and have a good evening.

Dave Welch

David K. Welch
Burke, Warren, MacKay & Serritella, P.C.
330 N. Wabash, Suite 2100 | Chicago, IL 60611
Phone 312.840.7122 | Fax 312.840.7900
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From: Kristen Kenney <Kristen@morgensterncap.com>

Date: January 20, 2021 at 9:49:28 PM EST

To: "Nisselson, Alan" <anisselson@windelsmarx.com>

Cc: Robert Morgenstern <Robert@morgensterncap.com>, Jonathan Vayner <Jonathan@canvaspg.com>, Reid <Reid@canvaspg.com>

Subject: RE: 629 East 5th St - Medici - Urgent Information Request

Hi Alan,

As mentioned below, we own the building at 629 East 5th Street in Manhattan which Medici has leased since the beginning of 2018. Given the circumstances of their Chapter 7 filing, we have taken over day-to-day management and are doing our best to piece together the necessary information to operate the premises and manage tenant relationships. We have received only a rent roll, and are in need of some additional information:

- Utility account information
- All current tenant leases
- Security deposit information and access or facilitated access to tenant-held deposits belonging to tenants moving out. We know that Hello Rented is holding security for a number of the tenants, but not all. What is going to be the process for the other tenants getting their refunds? By law this must be done within 14 days of moveout, so we want to make sure we are in compliance
- Any other relevant logins – security cameras, phone or internet lines, etc
- Quarters property management agreement with Jordan Cooper
- Vendor lists
- All available leasing information including future tenants, relevant information to current tenants; all tenant and leasing correspondence
- All current and future internal transfers (some tenants have already reached out that are supposed to be transferring and don't know where they are going)
- Inventory lists – what was typically kept at the premises, what is needed
- Operational processes; list of services provided to tenants

Please let me know if you're available tomorrow to discuss. Thank you so much in advance for your assistance.

Best,
Kristen

Kristen Kenney
Morgenstern Capital
215 Lexington Avenue, 20th Fl | New York, NY

D +1.646.760.9021

Kristen@morgensterncap.com | www.morgensterncap.com

From: Powers, Travis <Travis.Powers@klgates.com>
Sent: Wednesday, January 20, 2021 12:41 PM
To: Kristen Kenney <Kristen@MorgensternCap.com>
Cc: Robert Morgenstern <Robert@MorgensternCap.com>; Reid <Reid@CanvasPG.com>; Jonathan Vayner <Jonathan@CanvasPG.com>; Catuogno, David S. <David.Catuogno@klgates.com>; anisselson@windelsmarx.com; Eliades, Daniel M. <Daniel.Eliades@klgates.com>
Subject: RE: 629 East 5th St - Medici - Urgent Information Request

Good afternoon, Kristen,

All inquiries can be directed to the Chapter 7 Trustee for Medici 629 E. 5th LLC (the "Debtor"), Alan Nisselson, whose contact information is below. Thank you.

Alan Nisselson
Windels Marx Lane & Mittendorf, LLP
156 West 56th Street, New York, New York 10019
Direct Dial: 212.237.1021 | General Fax: 212.262.1215
anisselson@windelsmarx.com | www.windelsmarx.com

As you know the Debtor filed a Chapter 7 bankruptcy petition on Friday January 15, 2021 and ceased active operations as of said filing. On January 18, 2021, Mr. Nisselson was appointed Chapter 7 Trustee and is the authorized representative of the Debtor's bankruptcy estate. Mr. Nisselson is copied on this email. We are sending this email as a courtesy to help facilitate transition, however, this communication is not made by or on behalf of the Chapter 7 estate and shall not be binding upon, or prejudicial to, the rights and duties of the Chapter 7 Trustee or the estate.

Travis



Travis Powers, Esq.*
K&L Gates LLP
One Newark Center - 10th Floor
Newark, New Jersey 07102
Phone: (973) 848-4112
Fax: (973) 848-4001
Travis.Powers@klgates.com
www.klgates.com
*Admitted in New York

From: Kristen Kenney <Kristen@MorgensternCap.com>
Sent: Wednesday, January 20, 2021 9:55 AM
To: Powers, Travis <Travis.Powers@klgates.com>; Eliades, Daniel M. <Daniel.Eliades@klgates.com>; Artem Ustinov <artem.ustinov@quarters.com>
Cc: Robert Morgenstern <Robert@MorgensternCap.com>; Reid <Reid@CanvasPG.com>; Jonathan Vayner <Jonathan@CanvasPG.com>
Subject: RE: 629 East 5th St - Medici - Urgent Information Request

Thank you. Have you received any other information on the property?

Additionally, we have had tenants reaching out requesting security deposit refunds. We know that Hello Rented is holding security for a number of the tenants, but not all. What is going to be the process for the other tenants getting their refunds? This must be done within 14 days of moveout.

Best,
Kristen

Kristen Kenney
Morgenstern Capital
215 Lexington Avenue, 20th Fl | New York, NY
D +1.646.760.9021
Kristen@morgensterncap.com | www.morgensterncap.com

From: Powers, Travis <Travis.Powers@klgates.com>
Sent: Tuesday, January 19, 2021 3:28 PM
To: Kristen Kenney <Kristen@MorgensternCap.com>; Eliades, Daniel M. <Daniel.Eliades@klgates.com>; Artem Ustinov <artem.ustinov@quarters.com>
Cc: Robert Morgenstern <Robert@MorgensternCap.com>; Reid <Reid@CanvasPG.com>; Jonathan Vayner <Jonathan@CanvasPG.com>
Subject: RE: 629 East 5th St - Medici - Urgent Information Request

Good afternoon, all,

I received the below information today, which sets forth the “new” tenants, with email addresses and move-in dates:

Vanisha Sampat		East Village	15.01.2021
Emma Knobloch		East Village	17.01.2021
Selvana Gerges	s	East Village	17.01.2021
Hayley Villapudua		East Village	18.01.2021
Siri Kanakamedala		East Village	18.01.2021
Cheryl Monroe		East Village	18.01.2021
Srishti Gupta		East Village	19.01.2021
Mila Besson		East Village	19.01.2021
Chhavi Falod		East Village	20.01.2021
Luis Bernardo Rivera Munozcano	!	East Village	22.01.2021

Anna Brown		East Village	27.01.2021
ANUSHKA DHOOT		East Village	29.01.2021
Regan Fair		East Village	21.01.2021
Katherine Eo		East Village	20.01.2021
Chetna Agarwal		East Village	30.01.2021
Rachel Venable		East Village	25.01.2021
Andrew Athanasiadis	n	East Village	01.02.2021
Anastasia Guzenko		East Village	01.02.2021



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K&L Gates LLP
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Newark, New Jersey 07102
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Travis.Powers@klgates.com
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*Admitted in New York

From: Kristen Kenney <Kristen@MorgensternCap.com>
Sent: Tuesday, January 19, 2021 3:14 PM
To: Powers, Travis <Travis.Powers@klgates.com>; Eliades, Daniel M. <Daniel.Eliades@klgates.com>; Artem Ustinov <artem.ustinov@quarters.com>
Cc: Robert Morgenstern <Robert@MorgensternCap.com>; Reid <Reid@CanvasPG.com>; Jonathan Vayner <Jonathan@CanvasPG.com>
Subject: 629 East 5th St - Medici - Urgent Information Request
Importance: High

Hello,

Connecting a few groups here – Daniel and Travis are the bankruptcy attorneys for Quarters; Artem is still employed by Quarters/Medici out of the Berlin office.

I just spoke to Daniel on the phone on wanted to loop all of us in on an email to try to facilitate the transfer of information as quickly and easily as possible.

Artem, I believe you spoke earlier today with my colleagues, Reid and Jon. We own the building at 629 East 5th Street in Manhattan, which has been leased by Medici since early 2018. We have taken over management and leasing of the premises effective as of the bankruptcy filing on Friday. Rui Barros told me that you would be the best person to speak with to obtain the information we need. Our goal is to have as seamless of a transition as possible, for us and for the current and future tenants of 629 East 5th St sourced by Medici, but this has been very difficult as we only have a rent roll which does not include future tenants or needed correspondence. Individuals have been reaching out to us about their move-ins and we don't have the information to assist them.

We realize this is a hectic and difficult time for everyone, but if you could please do what you can to get us all available information on the property, we would really appreciate it. Artem – Reid mentioned that you had access to some of this, but wanted to speak to the attorneys and get authorization to do so before sending. As mentioned, I spoke to Daniel, who has given the ok for you to release everything that you have.

Artem would you please provide the following

- Utility account logins and information
- Any other relevant logins – security cameras, phone or internet lines, etc
- Quarters property management agreement with Jordan Cooper
- Vendor lists
- All available leasing information including future tenants, relevant information to current tenants; all tenant and leasing correspondence
- All current and future internal transfers (some tenants have already reached out that are supposed to be transferring and don't know where they are going)
- Inventory lists – what was typically kept at the premises, what is needed
- Operational processes; list of services provided to tenants
- What services they tenants were using the Quarters app for; assuming they no longer have access to this and we will need to provide an alternative
- How have leasing inquiries typically come in for the property and is there an easy way to shift this over to us so we don't drop any future tenants?
- All available information on security deposit accounting. We are setting up an account with Hello Rented, but are there tenant move outs coming up that we need information for

Thank you very much in advance; we appreciate everyone working with us on this.

Best,
Kristen

Kristen Kenney

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215 Lexington Avenue, 20th Fl | New York, NY

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Kristen@morgensterncap.com | www.morgensterncap.com

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From: Aaron Bergman <abergman@empirecapitalre.com>
Date: January 21, 2021 at 3:40:24 PM EST
To: Travis.Powers@klgates.com, "Nisselson, Alan" <anisselson@windelsmarx.com>, David.Catuogno@klgates.com
Cc: Josh Rahmani <josh@empirecapitalre.com>, Ebi Khalili <ekhalili@empirecapitalre.com>, Joseph Goldsmith <jgoldsmith@kaulaw.com>
Subject: URGENT: 326 Grand Street Tenancy

This message has originated from an External Source. Please use caution when opening attachments, clicking links, or responding to this email.

Mr. Powers & Mr. Nisselson,

I'm writing on behalf of Empire 326 Grand LLC, owner of 324-326 Grand Street and landlord to Medici 326 Grand LLC.

I understand the entity declared Chapter 7 Bankruptcy last week and we have serious concerns about the directions given to the residential "subtenants" of their coliving operation naming myself and our firm as the new contact for management and leasing concerns.

It is my understanding that even though the entity has filed for bankruptcy and is in default of its lease agreement, the lease is still in effect and the entity/it's appointed trustee is the responsible party for the premises at present.

I have received many emails and calls from very concerned subtenants living in the building, or scheduled to move into the building asking for move-in instructions, keys, repairs, cleaning, etc. I have also been contacted by the tenant's vendors and told that they are no longer providing essential services to the building such as trash removal, etc.

The current state of affairs is essentially the tenant having abandoned the building filled with increasingly unhappy tenants and this is detrimental to the building we have a vested interest in.

I respect that this is a process and do not wish to interfere in any way. Therefore, I kindly ask that your firm inform and address the immediate needs of the in-place "subtenants" as despite what the subtenants have been told, we have not been given any legal authorization or practical means to access and take over management of the premises.

Thank you for your prompt attention to this matter.

Aaron Bergman
Chief Operating Officer

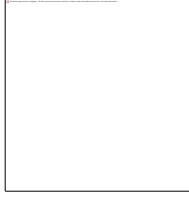
[Empire Capital Holdings](#)

Investment Management & Acquisitions

461 Fifth Avenue, 6th Floor

New York NY 10017

Phone: [\(212\) 213-4551](#)



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From: jgoldsmith@kaulaw.com

Date: January 20, 2021 at 4:32:26 PM EST

To: David.Catuogno@klgates.com, Travis.Powers@klgates.com, "Nisselson, Alan" <anisselson@windelsmarx.com>

Subject: RE: Medici 326 Grand LLC, Case No. 21-10073-jlg

Gentlemen, I am following up on the below. The debtor's subtenants in the building are hounding us for access and services. See the attached. Please let me know whether my client has permission to take possession and deal with the subtenants. Thank you.

Joseph Goldsmith, Esq.
Kossoff, PLLC
Attorneys at Law
217 Broadway, Suite 401
New York, New York 10007
Tel.: (212) 267-6364, ext. 278
Cell: (646) 369-9070
Email: jgoldsmith@kaulaw.com
website: www.kaulaw.com

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P Save a Tree - Think Before You Print.

From: jgoldsmith@kaulaw.com <jgoldsmith@kaulaw.com>

Sent: Tuesday, January 19, 2021 4:33 PM

To: 'David.Catuogno@klgates.com' <David.Catuogno@klgates.com>; 'Travis.Powers@klgates.com' <Travis.Powers@klgates.com>; 'anisselson@windelsmarx.com' <anisselson@windelsmarx.com>

Subject: Medici 326 Grand LLC, Case No. 21-10073-jlg

Mr. Nisselson, Mr. Catuogno, and Mr. Powers, as I mentioned to Mr. Catuogno on the phone several moments ago, I represent Empire 326 Grand LLC, the owner and landlord of 324-326 Grand Avenue in Manhattan. Medici 326 Grand LLC is the tenant of a portion of 324 Grand Avenue who in turn has sublet and licensed out space in the building to residential subtenants and occupants. We received the Chapter 7 Petition. We also have started to receive phone calls for the residential subtenants and

occupants of the building and from the debtor's vendors who have told us that the debtor has abandoned the property, is not providing services, and not paying any invoices. This is an issue for both the owner and the debtor as the owner has joint and several liability for the I would like to work out with you and the bankruptcy court the surrender of the lease and premises back to my client so that my client can begin managing the property, providing services, and collecting rent from the residential subtenants and occupants. Please call me to discuss. Thanks.

Joseph Goldsmith, Esq.
Kossoff, PLLC
Attorneys at Law
217 Broadway, Suite 401
New York, New York 10007
Tel.: (212) 267-6364, ext. 278
Cell: (646) 369-9070
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P Save a Tree - Think Before You Print.

From: "Powers, Travis" <Travis.Powers@klgates.com>
Date: January 19, 2021 at 5:04:33 PM EST
To: David Dweck <dukeage@aol.com>
Cc: sja@flatiron-rea.com, ken.hart@veracitypartners.net, mikemarino789@gmail.com,
Mikemarinojr@veracitypartners.net, "Eliades, Daniel M." <Daniel.Eliades@klgates.com>, "Catuogno, David
S." <David.Catuogno@klgates.com>, "Nisselson, Alan" <anisselson@windelsmarx.com>
Subject: RE: Quarters / NYC Williamsburg

Good afternoon, David,

In furtherance of our conversation, below is the contact for the Chapter 7 Trustee, Alan Nisselson.

Alan Nisselson
Windels Marx Lane & Mittendorf, LLP
156 West 56th Street, New York, New York 10019
Direct Dial: 212.237.1021 | General Fax: 212.262.1215
anisselson@windelsmarx.com | www.windelsmarx.com

As you know, Medici 186 N. 6th LLC (the “Debtor”) filed a Chapter 7 bankruptcy petition on Friday January 15, 2021 and ceased active operations as of said filing. On January 18, 2021, Mr. Nisselson was appointed Chapter 7 Trustee and is the authorized representative of the Debtor’s bankruptcy estate. Mr. Nisselson is copied on this email. We are sending this email as a courtesy to help facilitate transition, however, this communication is not made by or on behalf of the Chapter 7 estate and shall not be binding upon, or prejudicial to, the rights and duties of the Chapter 7 Trustee or the estate.

Travis



Travis Powers, Esq.*
K&L Gates LLP
One Newark Center - 10th Floor
Newark, New Jersey 07102
Phone: (973) 848-4112
Fax: (973) 848-4001
Travis.Powers@klgates.com
www.klgates.com
*Admitted in New York

From: David Dweck <dukeage@aol.com>
Sent: Monday, January 18, 2021 4:49 PM

To: Powers, Travis <Travis.Powers@klgates.com>

Cc: sa@flatiron-rea.com; ken.hart@veracitypartners.net; mikemarino789@gmail.com;

Mikemarinojr@veracitypartners.net; Eliades, Daniel M. <Daniel.Eliades@klgates.com>; Catuogno, David S. <David.Catuogno@klgates.com>

Subject: Re: Quarters / NYC Williamsburg

Hi Travis,

We are the Landlord (186 N 6 Owner LLC) at 186 N 6 & 165 N 5th Street in Brooklyn, NY
The Debtor is Medici 186 N.6th LLC

Thanks for sending this along.

1. Many people have started reaching out to us as owners of the building with different questions. Please advise who we should have them contact. re:

a. Tenants with issues, FOB not working, their app is not working, no one took out their garbage, cleaned their units, etc..

b. Tenants scheduled to move in who are in transit with no access to the building and their unit. They are extremely concerned with the added pressure of Covid and Quarantine rules.

c. Safety facility services, who evidently were contracted by Quarters for maintenance and porter services and they are asking us for further details

2. Please be advised we have never been provided with FOB & key access for emergencies and are concerned that the building might not be not actively monitored.

3. Lastly, please note Section 12 of the document you provided states that the property is not insured. We have an insurance certificate showing that it is. See attached.

Thanks,

David Dweck
Dukeage@aol.com
917-518-3663

-----Original Message-----

From: Powers, Travis <Travis.Powers@klgates.com>

To: David Dweck <dukeage@aol.com>; rui.barros@quarters.com <rui.barros@quarters.com>

Cc: ulrich.koller@quarters.com <ulrich.koller@quarters.com>; lori.albert@quarters.com <lori.albert@quarters.com>; sa@flatiron-rea.com <sa@flatiron-rea.com>; ken.hart@veracitypartners.net <ken.hart@veracitypartners.net>; mikemarino789@gmail.com <mikemarino789@gmail.com>; Mikemarinojr@veracitypartners.net <Mikemarinojr@veracitypartners.net>; Eliades, Daniel M. <Daniel.Eliades@klgates.com>; Catuogno, David S. <David.Catuogno@klgates.com>

Sent: Sun, Jan 17, 2021 12:24 pm

Subject: RE: Quarters / NYC Williamsburg

David,

Attached please find the filestamped Chapter 7 petition for Medici 186 N. 6th LLC (the "Debtor") filed Friday evening in the United States Bankruptcy Court for the Southern District of New York.

Please note that, as the Chapter 7 petition has been filed, the Debtor's creditors are subject to the automatic stay of 11 U.S.C. 362, which prohibits, among other things, the commencement or continuation of administrative or legal action against the Debtor or property of its Chapter 7 estate, subject to sanctions for any violation thereof. Please let me know if you have any questions. Thank you.

K&L GATES

Travis Powers, Esq.*

K&L Gates LLP

One Newark Center - 10th Floor

Newark, New Jersey 07102

Phone: (973) 848-4112

Fax: (973) 848-4001

Travis.Powers@klgates.com

www.klgates.com

*Admitted in New York

From: David Dweck <dukeage@aol.com>

Sent: Sunday, January 17, 2021 12:18 PM

To: rui.barros@quarters.com

Cc: ulrich.koller@quarters.com; lori.albert@quarters.com; sja@flatiron-rea.com;

ken.hart@veracitypartners.net; mikemarino789@gmail.com;

Mikemarinojr@veracitypartners.net; Eliades, Daniel M. <Daniel.Eliades@klgates.com>; Powers,

Travis <Travis.Powers@klgates.com>

Subject: Re: Quarters / NYC Williamsburg

Hi Rui,

We did not hear from your attorneys.

What is the status of the German parent?

Regards,

David Dweck

dukeage@aol.com

917 518 3663

On Sunday, January 17, 2021 Rui Barros <rui.barros@quarters.com> wrote:

Hi Duke,

We can confirm that we have filed Chapter 7 bankruptcy. You should have received a notice from our lawyers at K&L (copied). Attached is the rent roll for the building with tenant information. We expect a trustee to be appointed early next week who will step in.

Unfortunately, without financing we had no other choice than to file. We wish you all the best.

Rui M. Barros

Co-CEO & COO



rui.barros@quarters.com



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On Sun, Jan 17, 2021 at 9:36 AM David Dweck <dukeage@aol.com> wrote:

Ulrich,
It has come to our attention that Medici/Quarters files Chapter 7 on Friday.
Let's set up a call to discuss the next steps.
Regards,
David Dweck
dukeage@aol.com
917 518 3663

On Tuesday, December 15, 2020 Ulrich Koller <ulrich.koller@quarters.com> wrote:

Dear All,

Please find enclosed as agreed the P&L forecast for Williamsburg as well the consolidated figures for Quarters Holding GER (Jan-Oct. FY2020) as a basis for further conversations.

Disclaimer:

All negotiations conferences and discussions related to these negotiations shall be confidential and shall be treated as compromise and settlement negotiations in accordance with Federal Rule of Evidence 408 and its applicable state counterpart. Any provided financial information has to be treated as confidential and is not to be shared and distributed to other parties and the parties hereby agree that such information shall be subject to the terms and conditions of the Non-Disclosure Agreement entered into between the parties in November, 2018.

On Tue, 15 Dec 2020 at 17:00, dukeage <dukeage@aol.com> wrote:

Ulrich,

See NDA previously signed.

Regards,

David Dweck
Dukeage@aol.com
917 518 3663

----- Original message -----

From: Ulrich Koller <ulrich.koller@quarters.com>
Date: 12/14/20 2:51 AM (GMT-05:00)
To: David Dweck <dukeage@aol.com>
Cc: Rui Barros <rui.barros@quarters.com>, Raphael Sidelsky <r.sidelsky@w5-group.com>, Lori Albert <lori.albert@quarters.com>, sja@flatiron-rea.com, ken.hart@veracitypartners.net, mikemarino789@gmail.com, Mikemarinojr@veracitypartners.net
Subject: Re: Quarters / NYC Williamsburg

Dear DAvid,

Thanks for your reply, I took the opportunity and sent out a ViCo for 10am, please let me know if this time is not convenient for somebody.

Thanks BR UK

On Sun, 13 Dec 2020 at 00:03, David Dweck <dukeage@aol.com> wrote:

Ulrich,
We are glad to jump in another call this week to discuss our position & how we can possibly help.
Regards,
David Dweck
dukeage@aol.com
917 518 3663

On Friday, December 11, 2020 Ulrich Koller <ulrich.koller@quarters.com> wrote:

Dear All,

According to our common video conference please find enclosed from our side the following options/possibilities to find a solution under the given contractual premises and forecasted financial KPIs concerning the building in Williamsburg / NYC:

1. Removal of the German parent guarantee and to be replaced by a guarantee from the US holding company, Quarters Property USA, Inc.
2. Full tax liability shifted to the Landlord and Quarters contributes annually by the following schedule as Quarters' tax responsibility remains flat from 2023-2025.

2022: \$0
2023: \$100k
2024: \$100k
2025: \$100k

3. 10% discount to contractual base rent

4. Profit share structure (90% Landlord / 10% Quarters) based on positive EBITDA

Further options would be:

1. Convert the business model into a management deal with a termination right connected to profitability
2. Termination of the lease with Quarters taking the given security deposit under consideration as well as the already taken FF&E investment.

We hope to find a positive outcome for both parties under the given pandemic circumstances and would highly appreciate an answer from your side promptly.

Best regards, UK

Disclaimer:

All negotiations conferences and discussions related to these negotiations shall be confidential and shall be treated as compromise and settlement negotiations in accordance with Federal Rule of Evidence 408 and its applicable state counterpart.

--

Ulrich Koller



ulrich.koller@quarters.com



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From: Mike Golden <mikegolden@atproperties.com>
Date: January 21, 2021 at 6:10:20 PM EST
To: David.Catuogno@klgates.com
Cc: DWelch@burkelaw.com, artem.ustinov@quarters.com, mrourke@atproperties.com,
hnathanson@luxurypm.com, astanton@burkelaw.com, edwardlowery@atproperties.com,
Daniel.Eliades@klgates.com, Travis.Powers@klgates.com, "Nisselson, Alan"
<anisselson@windelsmarx.com>, "Barr, Leslie" <lbarr@windelsmarx.com>
Subject: Re: 171 N Aberdeen St Property [KLG-USE_Active01.FID2406359]

<0.jpg>

My attorney is probably going to kill me for responding to this but I don't really care. I hope you guys know the amount of damage you've done by how you've handled this. You sent a letter to all the tenants with my email address on it telling them we're responsible for everything and you didn't even tell us it was going out. I've got these poor tenants who have no idea what's going on emailing me and tracking us down trying to find out how they can move in, how they can get their heat fixed and if they're going to get kicked out. We can get no communication from the trustee and we have over 100 people in the building and legally we can't do anything to help them. It's a travesty. This is a \$70M+ asset and we are trying to salvage whatever value we can given that we had zero notice that this was going to happen and now you're making it worse by scaring the tenants and giving them false information and making us look like heartless idiots because we can't respond or help them even though they have been told that we are the people to help them. I hope you guys get your act together because I am incredibly disappointed in how it's been handled us far. I understand everyone has a lot on their plate but you guys are royally screwing us.

No need to respond to me and you probably won't because you should be talking to my attorney but if someone from the trustees office would please reach back out to them at least give us an idea of what is going on it would truly be appreciated.

Mike

On Jan 21, 2021, at 6:00 PM, Catuogno, David S.
<david.catuogno@klgates.com> wrote:

All:

The below email thread has been forwarded to my attention

Please be advised that the subject email was sent out by an employee of a European affiliate of the ten (10) related Quarters debtors all of which recently filed Chapter 7 petitions in the U.S. Bankruptcy Court in the Southern District of New York (the "Quarters Related Debtors"). The author is not an employee of the Quarters Related Debtors and was not authorized to speak on behalf of the Quarters related Debtors.

As you know, as a result of the Chapter 7 filings, all of the Quarters Related Debtors have ceased all operations.

Alan Nisselson has been appointed Chapter 7 Trustee and is the duly authorized representative of the Quarters estate(s). Mr. Nisselson has been copied on this email.

While we believe that the email was well intended, we concede that it is not accurate in its description of the status quo and misapprehends United States bankruptcy law and its application to the various landlord tenant relationships.

To the extent the email is interpreted as a statement from the Quarters Related Debtors that subtenant leases and/or security deposits automatically have been "passed" to the building owners it is recanted.

We are taking steps to make sure there are no further unauthorized communications and apologize for the confusion.

If anyone on this thread is aware that this message has been forwarded or repeated to any other recipients, please advise and we will take the steps necessary to correct the miscommunication.

Additionally, going forward please include me on all communications. Please also remove Daniel Eliades from the distribution list.

Thank you

[<mime-attachment.jpg>](#)

David S. Catuogno, Esq.

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Paulo Seattle Seoul Shanghai Singapore Sydney Taipei Tokyo Washington, D.C. Wilmington

From: David K. Welch <DWelch@BurkeLaw.com>
Sent: Thursday, January 21, 2021 5:20 PM
To: Artem Ustinov <artem.ustinov@quarters.com>
Cc: Mike Golden <mikegolden@atproperties.com>; mrouke@atproperties.com; Harry Nathanson <hnathanson@luxurypm.com>; Eliades, Daniel M. <Daniel.Eliades@klgates.com>; Powers, Travis <Travis.Powers@klgates.com>; Aaron H. Stanton <astanton@burkelaw.com>; Ed Lowery <edwardlowery@atproperties.com>
Subject: Re: 171 N Aberdeen St Property

This proposed email is simply not true. The tenant leases have not been “passed to the owner of the building”. The bankruptcy trustee and bankruptcy court determine what leases are assumed and assigned to any third party whether it be the owner or otherwise. Also, I would think that we don’t want to assume any liability for or under any lease that we are not a party to and which we have yet to even see!

Dave

David K. Welch
Burke, Warren, MacKay & Serritella, P.C.
330 N. Wabash, Suite 2100 | Chicago, IL 60611
Phone 312.840.7122 | Fax 312.840.7900
dwelch@burkelaw.com | www.burkelaw.com | my profile

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<mime-attachment.png>

On Jan 21, 2021, at 4:14 PM, Artem Ustinov
<artem.ustinov@quarters.com> wrote:

Hi Mike and Mike,

Quarters is setting up an automatic email response (via Hubspot) for those tenants who will try to reach out via the Quarters App or email. Please review the below, and add your relevant contact information (next to the text in bold) that will be shown in this auto-response email to direct tenants to your or your operator.

Dear Quarters Member,

Thank you for reaching out to us. As we've already communicated via email we have to close Quarters in the United States and will no longer operate the building you live in. Although your building will not be part of our community any longer, you will of course be able to continue living here. Your lease has been passed to the owner of your building, and your deposit lies with them as well. If you have any questions concerning your contract with them, please reach out to them directly. Please find below the contact information for each location:

Location - 171 N Aberdeen St.

Company

Contact Person

Phone Number

Email address

We would like to thank you for building Quarters with us and wish you all the best.

Your Quarters Team

Thank you,
Artem

On Wed, Jan 20, 2021 at 9:02 PM Harry Nathanson
<hnathanson@luxurypm.com> wrote:

Mike provided his information earlier this evening. I just need to make sure going forward I have full access to the system to add and delete tenants as need.

Harry

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: Mike Golden <mikegolden@atproperties.com>

Date: 1/20/21 8:46 PM (GMT-06:00)

To: artem.ustinov@quarters.com

Cc: mrourke@atproperties.com, daniel.eliades@klgates.com,
travis.powers@klgates.com, astanton@burkelaw.com,
dwelch@burkelaw.com, edwardlowery@atproperties.com, Harry
Nathanson <hnathanson@luxurypm.com>
Subject: Re: 171 N Aberdeen St Property

Harry/Ed/Mike who is the right person?

On Jan 20, 2021, at 5:17 PM, Artem Ustinov
<artem.ustinov@quarters.com> wrote:

Hi Mike and Mike,

Good to hear from you.
Please let me know what information I can help
you with.

One of the most important topics is the
Salto access control. I am in contact with Salto KS
HQ who are figuring out how to export access
control for 171 N Aberdeen and transfer it to your
control.

Salto requested the following information for who
to set up the account which will have control over
the access control system

- surname
- location, address
- e-mail address (please corporate mail address)

Let me know so I can forward to Salto. I will
connect you (or appointed by the ownership party)
with Salto to discuss the system commissioning
and etc as soon as they let us know about next
steps, and also how long it is going to take their
team.

Let me know what other topics I can try to help
you with.

Best,
Artem

On Tue, Jan 19, 2021 at 5:22 PM Mike Golden
<mikegolden@atproperties.com> wrote:

Thanks Artem. Please also copy our counsel Dave
Welch and Aaron Stanton as well. We want to do
what is best for the tenants and the property and

want to make sure we don't do anything wrong as we work through this process. Also might want to bring the trustee into the conversation. Currently I believe they are responsible for running the building until they handed over to us or someone else. If someone can bring them in to the conversation that would be great. We were at the building today and The tenants are confused as to who to talk to and where to go for questions and it does not appear that the maintenance person who is handling the building is any longer there so things are starting to become a mess very quickly.

Mike

On Jan 19, 2021, at 5:15 PM, Mike Rourke
<mrourke@atproperties.com>
wrote:

Artem,

Good to hear from you, thank you for reaching out. Do you have time for a call tomorrow morning? As early as you want.

Let me know.

Michael P. Rourke
Vice President | Commercial & Asset
Management

<image001.png>

2356 N. Elston Ave

Chicago, IL 60614

312-505-1610 mobile
mrourke@atproperties.com

atproperties@commercial.com

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Follow Us On LinkedIn
at: <https://www.linkedin.com/company/24790432/>

From: Artem Ustinov
<artem.ustinov@quarters.com>
Sent: Tuesday, January 19, 2021
4:12 PM
To: Mike Golden
<mikegolden@atproperties.com>;
Mike Rourke
<mrourke@atproperties.com>
Cc: daniel.eliades@klgates.com;
travis.powers@klgates.com
Subject: 171 N Aberdeen St
Property

Hi Mike and Mike,

I know this is a very frustrating
and complicated time.

I would like to connect and help to
smoothen the transition of the
property.

Please let me know what
information about the property and
its operations I can help you with.

I am figuring out how security and access control systems can be transferred, and who to connect you with.

I understand that time is of the essence, as the property is continuing to operate.

Daniel and Travis (cc'd) are the bankruptcy attorneys for Quarters, who should be cc'd on all communications.

Looking forward to hearing from you,

Artem

--

ARTEM USTINOV

Senior Project Manager

artem.ustinov@quarters.com

+49 15737 494258

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Senior Project Manager



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